GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Industries & Commerce Department – "Andhra Pradesh Industrial Development Policy 2023-27 – Orders – Issued.

INDUSTRIES & COMMERCE (P&I) DEPARTMENT

G.O.Ms.No.22

Dt:19.03.2023
Read the following:

1. G.O.Ms.No.39, Industries & Commerce (P&I) Department, dt:10.08.2020.
2. From Director of Industries, Mangalagiri, e-file No.INC02-17025/94/2022-I&I-I DOI (Computer No.1906401)

***

ORDER:

In the G.O 1st read above, Government have issued Andhra Pradesh Industrial Development Policy (APIDP) 2020-2023 providing fiscal incentives to various categories of Enterprises/ Industries.

2. In the reference 2nd read above, the Director of Industries, Mangalagiri has informed that "Andhra Pradesh Industrial Development Policy 2020-23" and "YSR Jagnanna Badugu Vikasam" under IDP 2020-23 are getting concluded by March 31st of 2023 and as such a new AP Industrial Development Policy 2023-27 has been prepared taking into consideration the national and international trends in Industrial development, Changes in relevant policies of Government of India and learnings from International experience especially in promoting MSMEs and the views of stakeholders, to build further on the momentum created by the Industrial Development Policy of 2020.

3. Government after careful examination of the proposal hereby introduce the Andhra Pradesh Industrial Development Policy 2023-27, which is applicable across sectors including Textiles. The detailed policy document is Appended at Annexure.

4. This policy shall be in force for a period of four years, starting from 1st April, 2023 till 31st March 2027. The Incentives mentioned in the policy will be extended to Industries as per the Operational guidelines to be notified separately, with the following conditions.

a. The total incentives for any company will be restricted to 100% of the Eligible Fixed Cost of Investment (EFCI) (excluding land Cost) and limited to 20% in each of the five years.

b. Only those brownfield projects where the Eligible Fixed Capital Investment (EFCI) and capacity of expansion is greater than 50% will be eligible for incentives.

5. This order is issued with the Concurrence of Finance (FMU,I&C,E and I&I) Department vide their U.O.No.FIN01-FMU0PC(IC)/6/2023-FMU-IIEIC (C.No.1997869) Dt:27.02.2023.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

R KARIKAL VALAVEN
SPECIAL CHIEF SECRETARY TO GOVERNMENT & CIP

To
The Director of Industries, Mangalagiri, Andhra Pradesh.
The Vice Chairman & Managing Director, Andhra Pradesh Industrial Infrastructure Corporation, Mangalagiri, Guntur.
The Director of Handlooms and Textiles. Yerrabalem, Mangalagiri.
The Director of Mines and Geology, Ibrahimpatnam, Vijayawada.

(P.T.O)

The Managing Director, Andhra Pradesh State Financial Corporation, Tadepalli, Guntur.
The Principal Finance Secretary, A.P Secretariat, Velagapudi.
The Special Chief Secretary to Government, Finance Department
The Secretary to Government, Social Welfare Department.
The Secretary to Government, Tribal Welfare Department
The Special Chief Secretary to Government, Revenue (CT/LA) Department.
The Special Chief Secretary to Government, Irrigation & CAD (Reforms) Dept.
The Secretary to Government, Energy, I&I Department.

Copy to:

The LET & F (Employment) Department.
The Accountant General, Vijayawada, Andhra Pradesh.
The Convener, State Level Banker's Committee through DoI, Mangalagiri.
The General Manager, Small Industry Development Bank of India (SIDBI) through DoI, Mangalagiri.
The Pay and Accounts Officer, Mangalagiri.
All District Collectors through Director of Industries, Mangalagiri.
All Heads of Departments through Director of Industries, Mangalagiri.
All Departments of Secretariat.
All Govt. Companies/Corporations through Director of Industries, Mangalagiri.
The P.S. to Spl.Chief Secretary to Chief Minister, AP.
The P.S. to Chief Secretary to Government, AP.
All Private Secretaries to the Ministers.
All General Managers, District Industries Centre in the State through Director of Industries, Mangalagiri.
All Sections in the Department.
SF/SC.

// FORWARDED :: BY ORDER//

S. Suvarnalatha
SECTION OFFICER

INDUSTRIAL DEVELOPMENT POLICY

2023

ANDHRA PRADESH

Department of Industries
& CommerceGovernment
of Andhra Pradesh

kere Abundance Meets Prosperity

kere Generations Pass on Pro-enterprise Cutture

kere Opportunities Rende vous witk Infrastructure

AndKra PradesK... wkere tke State is

Your Partner in Progress

FOREWORD BY HON'BLE CHIEF MINISTER OF ANDHRA PRADESH

• Accelerating Global Investments • Globalising Local Businesses • Equitable Growth Across Regions & Communities • Sustainable Development & Environment Preservation

Shri. **Y.S. JAGAN MOHAN REDDY**
Hon'ble Chief Minister of Andhra Pradesh

I am immensely glad to release our new Industrial Development Policy that comes to effect from 1st April 2023. This policy aims at building further on the growth-momentum generated by the Industrial Development Policy of 2020.

Today, Andhra Pradesh is home to many national and multi-national giant corporates and has emerged as a global manufacturing destination. In tandem with this, we have created a strong base of homegrown industries too, especially in the MSME sector. And, as you know, the State has consistently been adorning the No.1 position in Ease of Doing Business in India.

Through the New Industrial Development Policy, we intend to facilitate higher flow of Foreign Direct Investments into Andhra Pradesh, while nurturing and promoting the local enterprises and helping them globalise their businesses. We continue with our focus on MSMEs, employment generation, sustainable development & environment preservation, and measures to bring women, socially disadvantaged and minority segments to the forefront of economic development process.

The policy also supports entrepreneurial aspirations of the young generation through thoughtful measures to enhance the start-up ecosystem in the State.

We consider each investor an honoured partner in our economic progress. 'YSR AP ONE', the multi-faceted business enablement program has been designed to provide every investor the best-in-class investment facilitation and end-to-end handholding from a single point of contact.

I am sure that the Industrial Development Policy 2023, will live up to the expectations of all its stakeholders. Let me also state that the Government will maintain a dynamic approach in industrial development and will be open to reviews and repositioning of policy provisions to meet the evolving needs of the times.

Sd/-

Y.S. Jagan Mohan Reddy

1ST EASE OF DOING BUSINESS RANK

Deemed Approvals

Single Desk Portal

Online Incentives

Getting Construction Permit
System driven scrutiny of drawings

Labour Inspection Reforms
Risk-based categorisation of industry for inspection

Pollution Reforms Enablers
Low Risked Enterprises are exempted from the inspections

FOREWORD BY HON'BLE MINISTER FOR INDUSTRIES, ANDHRA PRADESH

Shri. **GUDIVADA AMARNATH**
Hon'ble Minister for Industries, Commerce,
Infrastructure & Investment, and IT,
Andhra Pradesh

It is indeed a proud moment for me to see this new Industrial Development Policy 2023 reaching the hands of prospective investors. For sure, the Policy marks yet another milestone in our concerted initiatives to grab greater heights in industrial and economic prosperity of Andhra Pradesh.

Recent times have witnessed a fillip in industrial growth in Andhra Pradesh. We are committed to maintain this energy and vibrance in the industrial sector live and prospering. Many initiatives have been embarked upon by Government to instil higher growth of industries, which include creation of world-class industrial infrastructure across the state, strengthening of road and waterway networks, development of new ports, and planned creation of social and urban infrastructure. Procedural and regulatory simplification, and online approval mechanism have paid rich dividends by enabling the State to consistently maintain No.1 position in Ease of Doing Business in India.

The Industrial Development Policy 2023 envisions to carve an unchallenged place for Andhra Pradesh as a global investment destination. It brings in a renewed focus on port-led industrial development and aims at leveraging international connectivity, manufacturing ecosystem and resource base within the State. The Policy will promote and facilitate innovations and technology upgradation among local enterprises so that they maintain productivity, competitiveness, and growth.

As always, we are following a balanced and sustainable development paradigm through this Policy as well. Priority has been attached to ensure that the fruits of industrial development reach equitably across all regions and communities.

Let me reiterate that I am extremely happy and proud to bring out this new Industrial Development Policy of Andhra Pradesh and hope that it would be widely accepted by the stakeholder community.

Sd/-
Gudivada Amarnath

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INDUSTRIAL DEVELOPMENT POLICY 2023

ANDHRA PRADESH

PART - 1

(BASIC TEXT)

1. PREAMBLE

1.1. Andhra Pradesh - The Destination of Choice for Investment

1.1.1. Andhra Pradesh has consistently been adorning the No.1 position in Ease of Doing Business in India. The State has a rich tradition of pro-industry culture and entrepreneurship. Ranking as 4th in India in terms of the number of factories and as 7th in value of industrial output, Andhra Pradesh finds its prominent place among leading industrialised states of India*.

1.1.2. Andhra Pradesh, the 8th largest state in India, accounts for 4% of the country's population and stands as 7th** in terms of contribution to the National Income. As per the latest Socio-Economic Survey, the State registered a GDP-growth of 11.43% at constant prices during the year 2021-22. Industry accounted for 21% of the State GDP. Manufacturing and Services' sectors, with a combined share of around 65% in GVA, have been major propellants of the State's economy.

1.1.3. Andhra Pradesh is home to many national and multi-national giant corporates and has emerged as a global manufacturing destination in several sectors of industry including Electronics and Pharmaceuticals. The State has significant locational advantage with respect to international markets and leading global business centres, especially in the Asia Pacific region.

1.1.4. The evolution of hubs of trade and commerce along the 974 kilometre-long coastline of Andhra Pradesh dates back to centuries. Today this stretch on India's eastern coast is an economic fulcrum propelling industry and commerce in the region. There are six strategically located seaports along the State's coastline, and four more are under development. The Vishakhapatnam port, located in the northern part of Andhra Pradesh, is the third largest major port in India. The seaports of Andhra Pradesh handle a significant share of India's international trade. The Visakhapatnam port alone representing a share of about 11% of the total cargo movements through the major ports of India.

Source: ****Annual Survey of Industries (GoI)-Latest Release (2019-20);***
*****RBI- Handbook of Statistics on Indian States: 2020-21***

1.1.5. Abundance of natural resources, well developed industrial ecosystem, strong base of skilled manpower, peaceful industrial relations, cost-competitiveness, and global connectivity, coupled with focussed infrastructure development and investor friendly policies of the Government make Andhra Pradesh the natural choice as a destination for investment.

1.2. Background of the New Industrial Development Policy

1.2.1. A proactive policy aimed at furthering industrial development and enhancing the position of Andhra Pradesh as a global investment destination was introduced in April 2020. The tenure of the Industrial Development Policy 2020 getting concluded by 31st March 2023. Employment generation, balanced growth of industries across regions and communities, and environmentally sustainable growth were among the major objectives set forth in the said policy. Significant momentum has been generated by the Industrial Development Policy 2020 in leading Andhra Pradesh towards achieving these goals.

1.2.2. The past three years have witnessed many changes in infrastructural, economic, and technological domains calling for a repositioning of the policy to enable the State to better address the challenges of the times in industrial development. Port-led industrial development and logistics have gained more significance especially in the context of increasing global demand for goods and services. In fact, the significance of Services-sector has become more prominent, prompting the Government to bring important services supporting industrial development within the ambit of the Industrial Development Policy. Innovations and adoption of newer technologies have become a necessity for enhanced performance of the MSME sector which is essential for the State to achieve the goals of employment generation and alleviation of rural poverty.

1.2.3. The greater role of start-ups in building a better nation and the need for the young generation to have a deeper shift in mindset from that of job seekers to job providers have widely been recognised. Recent years have witnessed an increasing number of start-up ventures crossing the horizons of success and bringing about explosive growth in business. Start-ups have indeed become the aspiration of a larger community of

young talents, and it is the duty of a proactive Government to enhance the start-up ecosystem in the state.

1.2.4. Taking cognisance of all such developments, Government of Andhra Pradesh is proudly bringing out the New Industrial Policy 2023, which will be in force for a period of 4 years starting from 1st April 2023.

1.2.5. The policy has been drawn up keeping in view, the larger economic context for Andhra Pradesh, national and international trends in industrial development, changes in relevant policies of Government of India and learnings from international experience especially in promoting MSMEs. A genuine effort has been made to accommodate the views and aspirations of all stakeholders of the policy. The Government expects that the new policy would facilitate a greater dimension to its endeavours for industrial development in the State, building further on the momentum created by the Industrial Development Policy of 2020.

1.3. The Focus and Scope of the New Policy

1.3.1. The New Industrial Development Policy 2023 reaffirms Government's commitment to enable local enterprises to grow and prosper, while paving the way for greater quantum of FDI-flows and enhancing the position of the state as an international destination for investment. Government aims at generation of more employment by leveraging the potentials of MSMEs and channelling the entrepreneurial talents of the young generation into enterprise building. Services-sector has been given a closer focus in the policy recognising its importance to the State's economy and the significance of a vibrant services-sector for instilling industrial growth.

1.3.2. In synchrony with the national policies to promote Logistic Sector and to facilitate reduction in logistic costs which is essential to create competitive global manufacturing hubs, Logistic Sector has been taken as a focus category in the New Industrial Development Policy. Research & Development, Innovations, Entrepreneurship Development and Start-up Ventures have been dealt with in the policy attaching the priority that they deserve.

1.3.3. The future of industrialisation, no doubt, vests in being futuristic. Government recognises the need to facilitate the right ecosystem and

support for futuristic segments of industry including Biotechnology, Industry 4.0 Manufacturing, Electric Vehicles, and Green Hydrogen.

1.3.4. The policy lays focus on developing and augmenting industrial infrastructure within the state, including world class industrial townships, logistic hubs, and urban amenities & social infrastructure along the three industrial corridors that the State is uniquely blessed with. Private Industrial Parks and development of Industrial Parks on PPP mode form part and parcel of the strategy for enhancing industrial infrastructure that the policy envisions.

1.3.5. Profound success achieved by Andhra Pradesh in consistently retaining leadership position in Ease of Doing Business has been an inspiration for the State in moving ahead with newer initiatives for investor facilitation. The policy envisages repositioning the Single Desk Portal facilitating time-bound clearances for investments and the 'YSR AP ONE' Programme for providing end to end service support to investors, for enhanced performance-levels.

1.3.6. The best package of incentives for investments is to provide high-quality infrastructure, logistical efficiency, best-in-class investor facilitation, conducive environs to make doing business simple and easy, a well evolved industrial ecosystem, easy access to all factors of production at competitive costs, and peaceful industrial relations. This policy lays thrust on these aspects. Standard incentive packages are offered for MSMEs and Large Scale projects. The window of tailor made incentives is open for Mega and Ultra-Mega investments.

1.3.7. The state has been geographically categorised to incentivise flow of investments into priority regions through infrastructural development. Further, the policy identifies thrust sectors for prioritised support measures.

2. VISION, MISSION, AND OBJECTIVES OF THE POLICY

2.1. Vision

"To carve an unchallenged place for Andhra Pradesh as a global ***investment destination leveraging international connectivity, manufacturing ecosystem and resource base, driven by state-of-the art infrastructure,***

and Ease of Doing Business; to facilitate productivity, innovation, and growth among local enterprises, promote employment generation and environment preservation, and to emphasise balanced, inclusive, and sustainable *growth".*

2.2. Mission

2.2.1. The State's aspirations as captured in the above Vision Statement transpire into the following nine Pillars of Accomplishment, to be pursued on a mission- mode:

I. **Economic Growth**: Ensuring higher industrial output to achieve a minimum contribution of 30% by Industry in the State GDP through enabling infrastructure, conducive business environment, and competitive support measures with focus on balanced, sustainable, and inclusive economic growth,

II. **Promoting Port-led Industrial Development**: Developing and implementing a masterplan to leverage the unique advantage of Andhra Pradesh in terms of its long coastline and the network of strategically located seaports providing as gateways to international markets.

III. **Enhancing Logistical Ecosystem:** Building further on the State's logistical ecosystem by prioritising establishment of new seaports, developing inland waterways as supplemental channel for cargo movements, and promoting coastal shipping; facilitating higher penetration and expansion of the rail and road network.

IV. **Developing World Class, Ready-to-Occupy, Industrial Space:** Creating ready-to-occupy manufacturing space across all the industrial parks/townships in the State, by providing Plug-and-Play facilities in Standard Design Factory (SDF) modules as well as Flatted Factory Complexes. Private partnership to be encouraged for this purpose.

V. **End-to-End Investor Facilitation**: Repositioning Single Desk Portal, the online self-monitorable one-stop-shop for clearances within 21 days, and the 'YSR AP ONE' program for end-to-end investor facilitation from project conception till commissioning, and beyond.

VI. **Employment Generation**: Incentivising ventures with greater employability, and facilitating accelerated growth of micro, small and medium enterprises which create the bulk of local employment.

VII. **Strengthening Employable Manpower-base**: Creating pools of employable manpower for all growth segments of industry through trainings under actual and/or simulated industry environs and providing the last-mile soft-skill orientation. An interactive State portal of skilled manpower to be developed as online job market where employers and the trained candidates can interface.

VIII. **Entrepreneurship Development and Reinforcing Start-up Culture**: Encouraging a paradigm shift in the mindset of a larger share of young generation from that of job seekers to job providers through entrepreneurship development and mentoring support, 'catching entrepreneurial talents young'; Reinforcing the start-up ecosystem by establishing Centres of Excellence and Incubation Centres in frontier-technology areas, promoting translational research works in futuristic sectors like Biotechnology, and facilitating deeper industry- academia interface- all leading to an enhanced start-up culture in the State.

IX. **Bringing Women, Minority, and Underprivileged Segments to the Forefront of Economic Development Process**: Encouraging women entrepreneurs and entrepreneurs from minority and underprivileged sections of the society to contribute more to economic development process through special incentive packages, mentoring, and handholding support, all leading to inclusive growth.

2.3. Objectives

I. To ensure major flow of FDI to Andhra Pradesh by emerging as a preferred global investment destination, facilitate large-scale domestic investments and promote growth of local enterprises thereby enhancing the contribution of industry in the State's economic development.

II. To maintain the State's leadership in Ease of Doing Business in India and to ensure best-in-class investor facilitation.

III. To provide necessary impetus to exports of goods and services from the State and place Andhra Pradesh among the top three states of India in terms of export performance.

IV. To generate employment opportunities through rapid industrial development and enhance employability of local manpower through appropriate skill development programmes.

V. To enhance the spirit of enterprise, innovation, and growth among local entrepreneurs, facilitate a conducive start-up ecosystem in the State and promote expansion, technology upgradation and growth of micro, small and medium enterprises.

VI. Identifying, encouraging, and supporting entrepreneurial talents from among women, minority, and underprivileged communities.

3. THE POLICY DIRECTION FOR OPERATIONALISING MISSION COMPONENTS - THE NINE PILLARS OF ACCOMPLISHMENT

Mission	Pillar of Accomplishment	Initiatives Envisaged in the Policy
Mission Component-I	Economic Growth	Enhancing industrial ecosystem, increasing flow of FDIs & domestic investments by providing best-in-class industrial Infrastructure, enhanced connectivity & better logistics, EoDB & investment facilitation, accelerating growth of MSMEs
Mission Component-II	Port-Led Development	Growth Poles in port region, secondary Growth Nodes in VCIC, CBIC and HBIC, improved rail & road and inland waterway connectivity to ports, development of new ports

Mission Component-III	Enhanced Logistical Ecosystem	Increased penetration of road & rail network, development of inland waterways & coastal shipping, logistic parks, other infrastructure support including warehousing and cold-chain facilities
Mission Component-IV	Developing World Class, Ready to Occupy Industrial Spaces	Public Private Partnership in developing Industrial Parks/ Infrastructure, Private Industrial Parks, MSME Parks and establishment of Flatted Factory Spaces and Standard Design Factories in existing & new Industrial Parks/Estates
Mission Component-V	End-to-End Investor Facilitation	YSR AP ONE- the multifaceted capability, integrating services across all Government Departments and providing end-to-end investor facilitation.
Mission Component-VI	Employment Generation	Thrust on growth and productivity among MSMEs, revitalising stressed MSMEs, factoring employment in the definition of, and support to Large, Mega & Ultra – Mega projects**,** creation of online job-market portal for trained, industry ready manpower in the State.
Mission Component-VII	Strengthening Employable Manpower base	Practical training programs for the youth after acquiring basic qualifications from technical institutions, reorientation of skill development programs based

		on regular assessment of industry- needs, programs for mindset reorientation and soft-skill development
Mission Component- VIII	Entrepreneurship Development & Reinforcing Start-up Culture	Entrepreneurship Development & mentoring programs, Start-up Zones, Start-up Incentives, Start-up Financing Ecosystem
Mission Component-IX	Bringing Women, Minority and Under Privileged Segments to the Forefront of Economic Development Process	Identifying and extending end-to-end handholding support to entrepreneurs belonging to women, minority and under privileged segments

4. LAND AND INFRASTRUCTURE SUPPORT AT COMPETITITVE PRICES - THE INHERENT INCENTIVE FOR INVESTMENT

4.1. Government of Andhra Pradesh guarantees allotment of industrial land with high quality infrastructure, at the most competitive prices. This will be an intrinsic incentive for investments in the State. Industrial Land bank of three lakh acres is the target set by this policy, to be developed with world class infrastructure in pace with the demand.

4.2. Land Allotment by APIIC within 21 days

4.2.1. The policy lays thrust on hassle free allotment of land for industrial purpose, and on ensuring land allotment by APIIC within a period of 21 days upon receipt of application. The land lease regulations of the nodal industrial infrastructure provider, the Andhra Pradesh Industrial Infrastructure Corporation (APIIC) will be realigned for meeting this objective.

5. TOWARDS A 'PLUG & PLAY- STATE' FOR INVESTMENTS

5.1. The Mission Plug & Play

5.1.1. 'Plug-and-Play-State for Investments' is a slogan that reflects the intend of this policy to establish best-in-class, plug-and-play, manufacturing environs across the State of Andhra Pradesh. The policy targets to create Standard Design Factory modules and Flatted Factory space of about 4 million square feet in the next four years. This target will be accomplished on a mission- mode (Mission- Plug & Play).

5.2. Flatted Factory Space at Cost-Price- Incentivising Investments in Critical Sectors

5.3. Ready-to-Occupy, Flatted Factory Space as envisaged in this policy under 'Mission Plug & Play' will be provided at cost-price to the beneficiary industries. This will incentivise investments in many critical sectors of industry in the State including IT, Biotechnology, Electronics, Apparels, and Precision Engineering.

6. INCENTIVISING PROJECTS WITH ECONOMIC AND EMPLOYMENT SIGNIFICANCE

6.1. Government recognises that the best package of incentive for investment is a combination of top-class infrastructure, connectivity, and efficient logistics for operation, and the ease of doing business. The combination of these critical ingredients for efficient business operation, coupled with the shortest lead-time for project completion- as facilitated by timebound clearances- will lead to reduced capital expenses and long term cost of operations. Such short and long-term savings in cost overweigh the value of fiscal incentives as are commonly envisaged for investment promotion.

6.2. It is a declared commitment and guarantee from the Government of Andhra Pradesh that every Mega and Ultra-Mega investment in the State with discernible economic and/or employment significance will be incentivised through support measures that enable such investments to benefit from reduced capital expenses and savings in long term cost of operations.

6.3. Parcels of prime industrial land in the 'Growth Poles' in seaport and airport regions will be set apart for immediate allocation for projects with significant economic importance or potential for employment generation. Industrial land- parcels so set apart will have world class infrastructure, including well laid internal roads, power supply and water linkage drawn up to project premises, CETP, STP and other common infrastructure. State-of-the-art road network will provide faster, easier and cheaper access to the seaports and airports.

6.4. Progress of implementation, including timebound clearances, of such projects will individually be monitored by an Empowered Committee of Secretaries. This policy guarantees immediate resolution of all matters requiring intervention by Government during implementation as well as operation of the projects.

6.5. Personalised escort services will be provided to each Mega and Ultra-Mega project in the State by designated senior officials**.** Such officers will be accountable to the High-Power Committee and will function as ambassadors of the respective projects in Government.

6.6. Government may also consider tailor-made packages of fiscal incentives for Mega and Ultra-Mega projects.

7. FACILITATING ENHANCED AND SUSTAINABLE INDUSTRIAL ECOSYSTEM

7.1. Government of Andhra Pradesh is committed to provide best-in-class industrial infrastructure and common facilities across all industrial parks/ townships and manufacturing zones. Focus will also be laid on enhancing social infrastructure and facilitating urban amenities in all such nodes of industrial development. The policy follows an approach to provide plug-and-play infrastructure, especially in segments of industry including electronics, precision engineering, and apparels to enable reduction in lead time from project conception to commissioning, and to facilitate better cost economies.

7.2. Emphasis shall be on cluster-based approach to facilitate planned industrial development. As will be dealt with later in this policy document,

Government plans to develop Growth Poles in regions proximate to the seaports as part of promoting port-led industrial development. Such Growth Poles will be linked up with other industrial clusters including the greenfield nodes in industrial corridors as well as existing industrial townships providing as secondary or tertiary nodes for facilitating port-led industrial development.

7.3. Private capital, including on PPP mode, will be encouraged in parallel with channelization of public resources for strengthening infrastructure for industrial development. Government land, including in identified port-regions, will be offered for developing industrial townships on PPP Mode. Andhra Pradesh Industrial Infrastructure Corporation (APIIC) shall also leverage the PPP- pattern for developing new industrial parks, and for augmenting infrastructure including Common Effluent Treatment Plant in the existing industrial parks.

7.4. Highest priority shall be attached for decongestion of roads leading to the industrial areas, seaports, and airports to ensure fastest, easiest, and cheapest access. PPP mode will be encouraged for enhancing the road infrastructure in zones critical for industrial development. Top priority will also be attached in developing inland waterways connecting major centres of industry & commerce, and the seaports.

7.5. Focus will be laid on improving the logistic ecosystem by promoting and facilitating Warehousing, Cold Storage, and other components of logistics infrastructure like air cargo facilities, truck-parking terminals, etc., to enable easier and faster movement of raw material and finished goods. This policy has included logistics sector as one of the segments for incentivizing investments.

7.6. With a view to enhancing the ecosystem for MSME sector, Government intends to establish sector focussed Model MSME Parks, in the most prominent segment of industry in each district. Such Parks will provide ready to occupy, developed plots as well as Standard Design Factory Space with power supply and water connection drawn up to the premises. The Parks will also provide sharable common production facilities (E.g., Common Machining Centre for Engineering Sector), Common Testing Facilities, Common Effluent Treatment Plants etc.

7.7. Efforts will be made to provide adequate accommodation facilities for workers in all the industrial zones/townships with a mechanism to ensure quality of the facilities and transparency of management. This policy has included providing workers' accommodation facilities as one of the specific segments for incentivizing investments. Providing easier and less costly commutation facilities for workers to reach and return from the workplace will also be a priority.

7.8. The concept of Walk-to-Work will be promoted and facilitated in all industrial townships in the State. Further, to promote concept of Walk to work, garmenting units would be encouraged to set up near Jagananna Housing Colonies which would help the Woman workers to work in nearby garmenting units.

7.9. The policy promotes planned, responsible, and sustainable industrial development.

8. INFRASTRUCTURE

8.1. Infrastructure Development Enabling Port-led Industrial Growth

8.1.1. Industrial economy of Andhra Pradesh is built around diversity of opportunities, robust infrastructure, connectivity, and a conducive manufacturing ecosystem. Geographical positioning with respect to the Asia Pacific region, and existence of strategically located all-weather, deep-water seaports providing as gateways of global connectivity are natural endowments that Andhra Pradesh enjoys. The State has been attaching special focus on building its industrial infrastructure around this unique advantage of international connectivity. The Visakhapatnam Chennai Industrial Corridor (VCIC), which represent India's first coastal economic corridor exemplifies the thrust that is laid on developing futuristic industrial townships with global connectivity.

8.1.2. There are six strategically located seaports in Andhra Pradesh, which include India's third largest major port at Visakhapatnam. Four more seaports are currently under development. Besides this, nine fishing harbours are being developed as mini ports with coastal shipping and cruise terminals. Inland waterways and roads connecting the seaports of

the state are being given top priority for development. Potential inland waterways with a total length of 1555 kilometres are currently under development.

8.1.3. Port-led industrial development is a new-focus that this policy is bringing forth for industrial growth in the State. Primary Industrial Nodes will be developed around seaports as Growth Poles boosting economic development in port-regions, in the pattern as successfully adopted by countries including China, South Korea and Japan. The existing industrial nodes fast coming up as part of prestigious projects like the VCIC will form secondary nodes supporting port-led industrial development, while all other industrial clusters will be linked to the ports through state-of-the-art road infrastructure, inland waterways, and railway linkage. Government intends to align international funding to facilitate this new infrastructure development model for industrial growth in Andhra Pradesh.

8.2. Industrial Corridors

8.2.1. Industrial Corridors-the Anchor Projects to Leverage Global Connectivity

8.2.1.1. Three out of eleven Industrial Corridors in India, namely, the Visakhapatnam Chennai Industrial Corridor (VCIC), Chennai Bengaluru Industrial Corridor (CBIC) and the Hyderabad Bengaluru Industrial Corridor (HBIC) pass through the state of Andhra Pradesh. These Industrial Corridors, which are connected together, pass through more than fifteen districts of Andhra Pradesh, and embrace the entire State as its influence-zone.

8.2.1.2. The New Industrial Development Policy considers Industrial Corridors in the State as Anchor Projects to leverage the State's global connectivity, in alignment with Growth Poles around seaports. Ten green-field industrial nodes will be developed in the three Industrial Corridors; five of them will be structured on PPP model.

8.2.2. Visakhapatnam Chennai Industrial Corridor (VCIC)

8.2.2.1. VCIC marks first phase of the East Coast Economic Corridor (ECEC), India's first Coastal Corridor, and is one of the most strategically located Industrial Corridors in the country. A network of six seaports and six airports

integrates the trade, commerce, and industry in VCIC with the Asia Pacific region. National Highway-16 provides the transportation backbone for VCIC. Excellent rail, road and air linkages bring top business and commercial centres within India to VCIC's easy reach.

8.2.2.2. The VCIC Region has over a dozen buzzling industrial townships including four global manufacturing hubs aligned to it. Besides this, five greenfield industrial nodes are under development at Vishakhapatnam, Chittoor/Tirupati, Machilipatnam, Donakonda and Kopparthy. The total extent of land envisaged for these five nodes comes to over 50,000 acres. The first phase of the Chittoor/Tirupati and Visakhapatnam nodes of VCIC is in an advanced stage of completion.

8.2.3. Chennai Bengaluru Industrial Corridor (CBIC)

8.2.3.1. Proximate to the southern port of Krishnapatnam, about 14000 acres of land has been identified for Krishnapatnam Industrial Area which will be among the three high impact/ market driven nodes proposed as part of the CBIC to enable regional agglomeration of industry in Tamil Nadu, Karnataka and Andhra Pradesh. The first phase of the project, known as KRIS City, is fast coming up in around 2500 acres. CBIC will have one more industrial node at Punganuru- Palamaneru. Build-up of industrial land bank in the region will be aligned to creating similar industrial townships as hubs of industrial agglomeration alongside CBIC.

8.2.4. Hyderabad Bengaluru Industrial Corridor (HBIC)

8.2.4.1. The Hyderabad Bengaluru Industrial Corridor connects central parts of India with southern states. The first industrial node of HBIC, namely, the Orvakal Node is located in Kurnool District in Andhra Pradesh. The Orvakal node will have a total extent of 9,800 acres. Another 6000 acres have been set apart by Government for two more nodes of HBIC, at Hindupur and Anantapur.

8.3. Replenishing and Enlarging Industrial Land Bank

8.3.1. APIIC is the doyen organisation engaged in building industrial infrastructure across the State. APIIC has developed around 530 Industrial Estates/ Townships and 5 Special Economic Zones and has so far taken possession of 1,43,889 acres of land. After allotments made, APIIC has

a land bank of 46,506 acres, which is available for allotment. Replenishment of the land bank is an ongoing activity for APIIC.

8.3.2. Government recognises the critical need for setting apart sufficient extent of land for future industrial development. Therefore, enlargement of industrial land bank will be given top priority. Government has identified an extent of 3 lakh acres of land bank for industry.

9. LAND ALLOTMENT FOR INDUSTRIAL USE - THE PATTERN

9.1. Industrial land will be allotted on lease basis for a period of 33|66 years. Allotee will be provided an option to buy out the land after 10 years of commercial production.

10. EASE OF DOING BUSINESS AND INVESTOR FACILITATION

10.1. Andhra Pradesh has been able to create an exceptional environment for Ease of Doing Business (EoDB). The State has been consistently at the top- most position for EoDB in India.

10.2. Under the Business Reform Action Plan (BRAP) of DPIIT, Government of India, several reforms have been introduced as a part of Ease of Doing Business in the State. The framework mainly focuses on simplification of procedures, online enablement, Single Window System, and timely delivery of services. Around six hundred (600) burdensome compliances have been eliminated/burdens reduced and the need for physical visits to government offices eliminated.

10.3. The New Industrial Development Policy 2023-27 aims at further consolidating the initiatives of the State in simplifying procedure, deploying digital systems, checks and measures for transparency, time-bound clearances, creating land bank and hassle-free land allotment for industry.

10.4. Single Desk Portal

10.4.1. Andhra Pradesh has taken an early initiative in bringing A.P. Single Window Clearances System under e-Biz project of the National e-Governance Plan. This provides efficient, convenient, transparent, and integrated

electronic services to investors. Focussed on creating and constantly improving hassle- free environment for investors, Government of Andhra Pradesh has effectively been implementing the Single Window Act and arranging various industrial clearances within the set time frame through online submission of applications. The Single Desk Portal facilitates an ecosystem that provides all clearances required to setup an industrial venture within 21 working days. The success rate of ensuring approvals within the committed timeline has been over 98%. The New Industrial Development Policy targets zero complaints and hundred percent compliance of timebound clearances. Andhra Pradesh has also launched 'Industries-Spandana', an One-Stop Grievance Redressal System to enable easy and fast resolution of queries/grievances.

10.5. Deemed Approvals: Guaranteeing 100% Compliance of Timebound Clearances

10.5.1. In full guarantee of timebound clearances for projects, Deemed Approvals will be issued in respect of specific clearances as per the Single Window Act, which are not granted or disposed off, within the stipulated timeframe. Such Deemed Approvals will be based on self-certification regarding compliance of all statutory stipulations and regulatory provisions, as confirmed at the time of making online application. The Deemed Approvals are liable to be cancelled in case any inconsistency is found in compliances as self-certified, and as found during the subsequent verification by the Department/Agency concerned.

10.6. Spot Approvals

10.6.1. Spot approvals will be given in the case of clearances/ approvals which require only a scrutiny of basic documents. They include registration under professional tax, registration of shops and establishments, registration of establishments and deploying contractual workmen/interstate migrant workmen, among others. Further, in the case of white category of Industries, the system will automatically generate approval, which is treated as Consent for Establishment to commence the activity.

10.7. 'YSR AP One'- The One- Stop Resource and Support Program for Industries

10.7.1. The multi-faceted business enablement program, 'YSR AP One', will be redefined and given utmost focus in implementation to provide end-to-end handholding support to investors. As a multifaceted capability centre, 'YSR AP One' integrates services from multiple Government agencies to offer the following services to investors though web and mobile applications, with a world class Physical Facility located at Visakhapatnam:

- **Entrepreneurship Facilitation** services to maintain repository of business models and plans and provide aspiring entrepreneurs with knowledge support to start new ventures
- **Market Research** services to undertake market research, develop sector wise resource repository of market updates and new developments
- **Marketing and Branding** Services to support businesses in marketing their products locally and globally. This cell also builds and promotes state-specific, generic brands
- **Sales Support** Services to connect units in the State with potential buyers. This cell will operate as Key Account Managers (KAM) for various exporters, distributors, and retailors both in the country and across the world
- **Scheme Support** services to support units in the state in availing benefits under central and state government schemes
- **MSME Revitalisation** Services to proactively assess MSMEs and revive and reposition sick MSMEs. It also facilitates seed capital for MSMEs
- **Investor Reach-out** Services with priority sector and geography desks for focussed investor reach-out
- **Incentive Management** Services to assess unit performance, estimate incentives and ensure timely disbursement of incentives

- **Business Enablement** Services to support businesses in getting all approvals and addressing all grievances that may arise post setup.
- **Special Category** Services to handhold SC/ST/BC/ Minority Entrepreneurs throughout the business lifecycle

11. RESEARCH AND TECHNOLOGY UPGRADATION

11.1. The State recognises the need for encouraging firms to continuously expand the frontiers of technology for transforming the industrial ecosystem. Support is particularly required for the MSME sector to keep pace with global manufacturing trends, and to tap the potential of export markets. With a view to encouraging innovation and adoption of newer technologies by MSMEs, the state will provide fiscal support to industries for acquiring technologies from recognized institutions as well as for acquisition of indigenous and foreign patented technologies.

11.2. Government also recognises the role that private sector can play in establishing R&D facilities and Technology Centres. Such facilities and Technology Centres are expected to go a long way in propagating the spirit of innovation and enabling higher productivity in the MSME sector through adoption of improved technologies and resolution of technological bottlenecks. The need for providing state-of-the art testing facilities for standardisation and benchmarking of product quality has also been duly considered. As a proactive initiative in this regard, Research & Development and Testing Labs have been included as a specific segment for incentivisation as per this Policy.

12. INNOVATIONS AND START-UP ECOSYSTEM

12.1. Government intends to encourage innovations and to enhance the start-up ecosystem in the State. Talented youngsters will be provided the right facilities and support system to innovate and pursue their entrepreneurial talents. Government also recognises the need for ‘catching the talents young’ and will facilitate establishment of Entrepreneurship Clubs and Incubation Centres in select technical institutions on an experimental basis.

12.2. **I-SPACE**, a state-of-the-art Innovation & Start-up Zone, will be established at Visakhapatnam. The **I-SPACE** will have specialised incubators, co-working space, and representation of angel investors & venture capitalists. Arrangements for mentoring and handholding support for the 'technopreneurs' in various functional domains including IPR & patent registration, legal services, sourcing funds by way of Angel/Venture Capital, packaging, and market-strategy development will be facilitated in the Innovation and Start-up Zone. In due course, the initiative will be scaled up by emulating the model in other parts of the State.

13. ADVISING, ASSISTING AND SUPPORTING MSMEs IN MARKETING

13.1. Government recognises the need for providing adequate marketing support to Micro Small and Medium Enterprises (MSMEs) so as to help them fully tap the potentials of domestic and international markets. Enterprises under One District One Product (ODOP) scheme will be one of the focus-groups in this regard.

13.2. A Market Advisory Group will be set up at the MSME Development Corporation, with experienced marketing professionals. The Market Advisory Group will organise, maintain, and disseminate information including details of domestic buyers and importers of various products relevant to the MSME sector in the State, product-wise market trends, and demand-supply projections for the benefit of enterprises subscribing to this facility. Professional assistance of the Market Advisory Group will also be available on demand to any MSME unit in the State in drawing up marketing strategies, including product branding and pricing.

13.3. The MSME Development Corporation will organise collective participation of Micro, Small and Medium Enterprises in various product-specific and general exhibitions and trade fairs, within India and abroad. Space for display of the products will be provided free of cost. A scheme for supporting travel and stay of one representative each from the participating Micro and Small enterprises will be introduced.

13.4. Unique products and crafts of Andhra Pradesh like Etikoppaka Toys, Kondapalli Toys, Bobbili Veenas, Venkatagiri Sarees, Kalamkari Printing etc. will be promoted as generic brands, nationally and internationally. Sales of such products through tie-up with leading and reputed E-Commerce companies will be facilitated.

13.5. A professional institutional arrangement will be facilitated for organised marketing of unique products made by skilled artisans of the state, nationally and internationally. Showrooms of such products will be opened in important cities of India. Tie-ups with international retail chains will be facilitated to tap export market potential of such products.

14. EXPORT PROMOTION

14.1. Andhra Pradesh is one of the leading states in terms of export performance. Government of Andhra Pradesh has been providing thrust on promoting export oriented units in the State and intends to continue with prioritised support for encouraging and handholding such ventures. The Industrial Development Policy 2023 envisages the following measures to promote exports from the State:

- **Logistical and Infrastructure Support:** (1) Providing and maintaining state-of-the-art road connectivity to Seaports and Airports (2) Developing inland waterways as an alternate channel for cargo movements to the seaports from major manufacturing/ export- processing centres. (3) Facilitating/promoting logistical infrastructure including warehousing and cold chain networks, and Container Freight Stations in Private sector /PPP mode
- Partnering with Export Promotion Councils for supplementing and enhancing the support to the export- sector
- Training and Capacity Building Programs: Conducting training and capacity building programs to enable micro, small and medium enterprises to explore and tap the export potential of their products
- International Outreach: Promoting and supporting participation of MSMEs in International Trade Fairs and Exhibitions so as to enable them to reach out to a wider canvas of buyers. The MSME Development Corporation will play the lead role in this regard.
- Grievance Redressal: A grievance redressal cell will be established at the Directorate of Industries & Export Promotion to proactively address the grievances of exporting enterprises, and to ensure timely redressal of the same.

15. ENVIRONMENT PROTECTION AND SUSTAINABILITY

15.1. The Industrial Development Policy 2023-27 attaches top priority for environment protection and sustainability. One of the objectives of cluster-based approach for industrial development as adopted in this policy is to avoid establishment of industrial units in residential and eco-fragile regions. Private investments will be encouraged for establishing and maintaining Common Effluent Treatment Plants in various industrial parks/ estates/townships of APIIC on PPP-mode. Government will explore newer methodologies and technologies for effective waste management in industrial areas.

15.2. Recycling and industrial waste-disposal facilities will be promoted, and handling of hazardous wastes will be efficiently monitored. The Policy brings industrial waste handling services under the realm of incentivisation. Clearances for projects will be subject to strict adherence of the norms of environment preservation. Monitoring mechanism of the State Pollution Control Board will be further strengthened to ensure hundred percent compliance of pollution control norms by all industrial units in the state.

15.3. Industrial Zoning will continue to be a key focus area for planned industrial development with minimal impact on environment. A masterplan covering the entire geographical area of the State, highlighting areas permissible for setting up industries and the types of industries permissible in each area, is under development.

16. STRENGTHENING INDUSTRY-READY MANPOWER BASE

16.1. The Industrial Development Policy of 2020-23 laid focus on skill development among the youth of the State to enable them secure gainful employment, at the same time facilitating availability of trained local manpower to meet industry needs. Discernible momentum has been created by the said policy in meeting this objective.

16.2. The Andhra Pradesh State Skill Development Corporation (APSSDC) has been endeavouring to identify the gaps in the existing skills ecosystem and upgrading skills through industry involvement. Nearly hundred Skill Development Centres have come up in technical institutions spread

across Andhra Pradesh, most of which are now in full swing of operations. Skill Hubs and Colleges are being established across the state for strengthening skilled manpower base to cater to the needs of industry.

16.3. Government intends to instil enhanced practical orientation in the training curricula and methods, so that the trainees fully meet industry expectations. An added focus will be on creating industry-ready manpower, imparting last- mile training that enable the candidates acquire essential soft skills in addition to technical knowledge and dexterity in job performance. Special attention will be given in ensuring that the skill development schemes and programmes reach out to entrepreneurs from SC, ST, BC, women, minority, and other underprivileged sections of the society. Entrepreneurs belonging to these classes will be included in Skill Development Programmes on priority basis.

16.4. Government, through APSSDC, will periodically map Industry specific skill gaps, emerging sector-roles, market trends and industry requirements and introduce industry-responsive short term, long term & modular courses through the Skill Development Centres including ITIs and ITCs. APSSDC shall create pools of well trained, employable manpower with adequate representation of the weaker classes, locally available at all centres of industrial growth in Andhra Pradesh.

16.5. An online job market (Digital Employment Platform) for such trained manpower will be facilitated where candidates can be searched by industrial units in the State, or vice-versa, and have one-to-one interface with the mediation of technology. This will be through a process of screening and registrations that take place on a continuous basis.

17. TRANSFORMING INSTITUITIONAL INFRASTRUCTRUE

17.1. Government intends to strengthen and transform the institutional infrastructure in the State as proactive and efficient support-points for facilitating business and investments. All relevant departments of Government and institutions under them shall function as parts of a well-oiled machine, performing their role in promoting business and industry in Andhra Pradesh with a holistic view and with utmost transparency and efficiency.

17.2. Functioning of different departments will be re-aligned to achieve the objective of having a unified approach in investment promotion in the State, with Department of Industries playing the central role across the entire spectrum of industries ranging from traditional sectors to futuristic segments of industry, and start-ups. Roles and responsibilities of various organisations shall be redefined unambiguously to meet this objective.

18. REGIONAL CATEGORISATION AND BALANCED INDUSTIRAL DEVELOPMENT

18.1. The New Industrial Development Policy 2023-27 aims at balanced growth, regionally and across communities. Weaker sections of the society and minority communities are given special support packages to help them play a greater role in industrial development of the State. Benefits of economic growth and employment generation are expected to be shared equitably across the State through regional balancing of industrial development.

18.2. For the purpose of regional balancing of industrial development, the State has been divided into three categories, namely less industrialised, moderately industrialised, and highly industrialised areas as follows. The Policy attaches priority for channelising investments to industrially lesser developed districts.

Category	Status of Industrial Development	Districts Covered
I	Less Industrialised	Anantapuramu, Annamayya, Bapatla, Dr.B.R. Ambedkar Konasema, Kurnool, Krishna, Nandyal, Parvatipuram Manyam, Srikakulam, Y.S.R. Kadapa, Alluri Sitharama Raju Paderu
II	Moderately Industrialised	Chittoor, East Godavari, West Godavari, Eluru, Guntur, Kakinada, N.T.R., Palnadu, Prakasam, SPSR Nellore, Sri. Sathya Sai, Vizianagaram
III	Highly Industrialised	Anakapalli, Tirupati, Visakhapatnam

19. THRUST SECTORS

19.1. The Policy identifies the following segments of industry as Thrust Sectors for prioritised promotion, in view of their social or economic significance:

I. Chemicals & Petrochemicals
II. Pharmaceuticals & Bulk Drugs
III. Textiles & Apparels
IV. Automobiles & Auto Components
V. Electronics & IT
VI. Agro & Food Processing
VII. Engineering
VIII. Medical Devices
IX. Defence & Aerospace
X. Machinery & Equipment
XI. Futuristic Segments of Industry including Industry 4.0 Manufacturing, Biotechnology, Green Hydrogen, Electric Vehicles
XII. Renewable Energy Components Manufacture

19.2. The Industrial Development Policy prioritises development of infrastructure and enabling ecosystem for accelerated growth of the Thrust Sectors.

19.3. Government recognises specific growth requirements of traditional sectors including Textiles, Electronics-hardware, and Food Processing as also the emerging futuristic segments like Green Hydrogen and Electric Vehicles. For some of such sectors currently there are separate policies, and for some others there exists a need for evolving very specific support measures to place them on higher growth trajectories.

19.4. Government intends to integrate all sector-wise policies into one common policy framework for ease of understanding and more effective policy administration. This will be facilitated in stages with add-on modules to this document.

20. PROMOTING PRIVATE INDUSTRIAL PARKS AND INDUSTRIAL TOWNSHIPS ON PPP MODE

20.1. Government will encourage Private Industrial Parks, and development of self-contained Industrial Townships with world-class industrial and social infrastructure and urban amenities on Public Private Partnership (PPP) Mode.

20.2. Industrial Townships on PPP Mode will be promoted all over the State. Such townships are envisaged to be promoted and developed as global manufacturing hubs. Five out of ten greenfield nodes along the Industrial Corridors in the State will also be developed as industrial townships on PPP mode.

20.3. Private Industrial Parks- Broad Guidelines

20.3.1. General Aspects

i. The minimum threshold investment for a Private Industrial Park shall be Rs. 200 Crores.

ii. Size of the proposed Industrial Park shall be a minimum of 50 Acres in the case of land owned by private developers and 100 Acres in the case of land owned by APIIC/ Government of Andhra Pradesh

iii. Residential/ commercial zone (if any) set up within the Industrial Park shall not occupy more than 33% of the total developed land, and shall cater to the demand emanating from within the Park as well as from the neighbourhoods

iv. A minimum of 33% of total land area shall be dedicated for green cover, water conservation and rainwater harvesting.

v. Any other criteria as may be decided and/or notified by Infrastructure Authority or Government of Andhra Pradesh (Government) from time to time.

20.3.2. Bidding and Related Aspects

20.3.2.1. In the case of private land: Private Developer shall form a Special Purpose Vehicle (SPV) for Industrial Park (IP) development and transfer land to the SPV. Contribution of share capital by Private Developer shall be by way of land, cash and debt, and the Developer will develop internal infrastructure, operate, maintain and market the IP. Government will provide support for the external infrastructure as required. If required, Government/ APIIC may hold minority shareholding in the SPV with its contribution to the paid-up capital limited to 2-11%. Government/ APIIC may exit/ divest its holding upon the IP achieving 90% occupancy or as the fair value of shares appreciates to above 150%.

20.3.2.2. In the case of land owned by Government/ APIIC: APIIC will provide private developers industrial land on long-term lease; private developers shall be selected through competitive bidding. APIIC, on behalf of Government, will enter into an agreement with the selected bidder, for development, O&M, and marketing of the IP. Government will provide support for the external infrastructure as required on best-efforts basis.

20.3.2.3. Bidding parameter shall be the cost at which services will be rendered to the beneficiaries. Private developer must have prior experience in development, operations and management of IPs and other parameters as decided by Government.

20.3.2.4. In the case of Brownfield IPs requiring upgradation: Such projects will be developed with private sector participation by providing them exclusive rights for development, operation and maintenance on the basis of competitive quotes of the cost at which services will be rendered to the beneficiaries. Selected bidder will upgrade brownfield IPs wherever possible with the consent of the existing occupant units by developing new facilities as per the requirements of the units and upgrading the existing facilities with latest technologies. Private developer must have prior experience in development, operations, and management of IPs.

20.3.2.5. Swiss Challenge approach for selection of Private Developer: In order to select suitable Private Developer for Industrial Park, Government may adopt Swiss Challenge Approach, in accordance with Clause 19-II sub clause (i) to (ix) (both inclusive) of the Andhra Pradesh Infrastructure Development Enabling (APIDE) Act, 2001, whenever ***suo moto*** proposals are received.

20.3.2.6. For sector-specific Industrial Parks, incentives from applicable sector specific policies of Government of Andhra Pradesh and Government of India shall be made available.

20.3.2.7. Revocation: In case the developer fails to execute the works as per the bidding parameters, the lease shall be cancelled, and APIIC/ Government will take over. In such case, APIIC/ Government will operate on its own, or transfer the IP to other developers selected through competitive bidding.

20.4. Public Private Partnerships for Large Industrial Townships

20.4.1. Public Private Partnerships will be promoted for developing large industrial townships at the Growth Poles in port-region, Nodes of Industrial Corridors, and other identified industrial-growth zones. Detailed Project Reports shall be prepared for individual projects, and used as the base document for sourcing private developers for each project through transparent bidding process

20.4.2. Procedure and norms stipulated by Government of India for PPP projects shall be followed for selection of the Private Developer.

(End of Part - I)

INDUSTRIAL DEVELOPMENT POLICY 2023-27

ANDHRA PRADESH

PART - 2

POLICY INITIATIVES AND SUPPORT MEASURES

POLICY INITIATIVES AND SUPPORT MEASURES

1. GENERAL ASPECTS

1.1. The first part of this document highlights the focus and direction of the Industrial Development Policy 2023-27 and provides an overall view of various initiatives as per the policy. The second part goes into details of category wise initiatives and support measures that the policy envisages. Fiscal incentives to support various segments of industry are presented as Annexure-I of this policy document.

1.2. The following segments of economic activity are brought under the ambit of the policy:

I. Manufacturing- MSMEs

II. Manufacturing- Large, Mega and Ultra-Mega Projects

III. Services Sector

IV. Start-ups

V. Logistics & Warehousing

VI. R&D Centres, Global Capability Centres and Testing Labs

1.3. A Special Package of Incentives has been devised for Scheduled Caste and Scheduled Tribe categories with a view to bringing entrepreneurs belonging to these categories more to the forefront of economic development of the State. The Package of Incentives provided to these categories of entrepreneurs are presented as Annexure-II of this document.

1.4. In the manufacturing segment, the Industrial Development Policy extends to both new projects as well as expansion, diversification, and modernisation of existing ventures.

1.5. In alignment with Government of India initiatives and policy to increase production of Ethanol so as to achieve the target of 20% blending of Ethanol with petrol by 2025, Government of Andhra Pradesh intends to promote production of Ethanol. In this context, it has been decided that all fiscal

incentives and specific policy supports as extended to other manufacturing sectors will be made available for production of fuel Ethanol for blending with petrol, as well.

1.6. Incentives as per this policy shall be available only to those enterprises meeting the criteria of having minimum 75% of the employees with genuine domicile in Andhra Pradesh.

SECTION - 1

MANUFACTURING - MSMEs

2. DEFINITION OF MSMEs

2.1. The Industrial Development Policy 2023 follows the criteria as defined by Government of India for MSMEs, which came into effect from 1st July 2020 and updated from time to time. The qualifying criteria for MSMEs are presented below:

Classification	Micro	Small	Medium
Manufacturing Enterprises and Enterprises rendering Services	Investment in Plant and Machinery or Equipment: Not more than Rs.1 crore and Annual Turnover: not more than Rs. 5 Crores	Investment in Plant and Machinery or Equipment: Not more than Rs.10 crore and Annual Turnover: not more than Rs.50 Crores	Investment in Plant and Machinery or Equipment: Not more than Rs.50 crore and Annual Turnover: not more than Rs. 250 Crores

3. POLICY INITIATIVES- MSME SECTOR

3.1. Policy Orientation

3.1.1. Government envisages enhancing the MSME ecosystem in the State by enabling growth of the sector through technology upgradation, product and process innovations, modernisation, and increased productivity.

3.1.2. A competitive package of fiscal incentives has been devised to accelerate the pace of investments in the sector.

3.1.3. An online platform has been developed to undertake health analysis of industrial units (including MSMEs) in the State, based on turnover details from GST database. The system, upon analysis of data, automatically generates alerts regarding units with declining trend of turnover, so as to initiate site visits by officials to ascertain the reasons for such declining trend, suggest & implement necessary interventions in coordination with various departments. The machinery for monitoring and supporting stressed MSMEs will be strengthened.

3.1.4. Focus has been laid on enhancing infrastructure for MSMEs and reducing the lead time and cost of projects by facilitating plug-and-play manufacturing environs, and sharable high-end production facilities.

3.2. Policy Measures

3.2.1. Technical, management, and handholding support will be extended to entrepreneurs proposing new ventures in MSME sector, as well as for expansion of existing ventures through designated panel of experts under YSR AP ONE.

3.2.2. 33 % of land will be set apart in all new Industrial Parks of APIIC across the State for MSMEs; such earmarked areas will have plug-and-play, Standard Design Factory Spaces for MSMEs.

3.2.3. A Fund will be constituted as Corpus for providing support to ailing MSMEs for implementing turnaround strategies worked out by respective banks.

3.2.4. Land to the extent of 16.2% and 6% will be reserved respectively for units to be set up by SC and ST entrepreneurs in all the new Industrial Parks/ Estates of APIIC.

3.3. Private MSME-Industrial Parks:

3.3.1. Private MSME Parks/Flatted Factory Complexes will be promoted. Approved MSME Industrial Parks/Estates with a minimum extent of 25 acres of land and Standard Design Flatted Factory Complexes with a minimum area of 50,000 sq. ft. will get the following support package:

i. Reimbursement of 25% of infrastructure cost limited to Rs.100 lakhs

ii. 100% reimbursement of stamp duty on purchase of land meant for Industrial Park.

iii. 100% reimbursement of land conversion charges on purchase of land meant for Industrial Park.

iv. Reimbursement of 3% interest on Term Loan as subsidy limited to Rs.100 lakhs for a period of 3 years.

3.3.2. The incentives will be processed only upon achieving 50% occupancy for 50% of the incentives and the balance 50% upon achieving the 100% occupancy.

MANUFACTURING- LARGE, MEGA & ULTRA - MEGA PROJECTS

4. DEFINITIONS

4.1. The following definitions/criteria are adopted in the policy for interpretation of the category of an industrial venture in terms of its size and period of investment eligible for incentives

a. Large, Mega and Ultra Mega Projects

CATEGORY	INVESTMENT IN PLANT & MACHINERY/ EMPLOYMENT
Large	Above Rs.50 Cr. up to Rs.1000 Cr.
Mega	Above Rs.1000 Cr. up to Rs.3000 Cr and employment above 1000
Ultra-Mega	Above Rs.3000 Cr. and employment above 3000

b. Eligible Investment Period

CATEGORIES	ELIGIBLE INVESTMENT PERIOD
Large	3 Years
Mega	4 Years
Ultra-Mega	5 Years

4.2. The following regional categorisation has been adopted for the purpose of balanced industrial development:

Category	Status of Industrial Development	Districts Covered
I	Less Industrialised	Anantapuramu, Annamayya, Bapatla, Dr.B.R. Ambedkar Konasema, Kurnool, Krishna, Nandyal, Parvatipuram Manyam, Srikakulam, Y.S.R. Kadapa, Alluri Sitharama Raju Paderu
II	Moderately Industrialised	Chittoor, East Godavari, West Godavari, Eluru, Guntur, Kakinada, N.T.R., Palnadu, Prakasam, SPSR Nellore, Sri. Sathya Sai, Vizianagaram
III	Highly Industrialised	Anakapalli, Tirupati, Visakhapatnam

5. POLICY INITIATIVES: LARGE, MEGA & ULTRA-MEGA PROJECTS

5.1. Policy Orientation

5.1.1. Fast-track Clearances

Government is committed to allot land and to provide all clearances for projects within a time span of 21 Days, on receiving the application. Procedures and formalities related to land allotment and project-clearances shall be further streamlined to fast-track land allotment and time-bound clearances.

5.1.2. Infrastructure and Connectivity

Government guarantees best-in-class industrial infrastructure with global connectivity to companies/entities making investments in the State. Ready-to-allot industrial landbank with excellent connectivity to strategically located seaports and airports has been readied for this purpose.

5.1.3. Thrust Sectors

Thrust sectors have been identified (presented in Part-I) considering the existing industrial ecosystem, resource base, and competitive advantages of Andhra Pradesh, and also keeping in view the future prospects of such sectors and their alignment with relevant policies of Government of India. Government will follow the strategy to facilitate higher flow of investments into the Thrust Sectors and will focus on developing infrastructure and enhancing the industrial ecosystem for such sectors.

5.1.4. Regional Balancing of Investments

Government envisages regional balancing of industrial investments in the State. For this purpose, three geographical categories have been defined, as presented in paragraph-4.2.

5.2. Policy Measures

5.2.1. Public- Private Partnerships will be encouraged to develop self-contained Industrial Townships with world-class industrial and social infrastructure and urban amenities at identified Growth Poles in Port-Region. Such

townships are envisaged to be promoted and developed as global manufacturing hubs. Five out of ten greenfield nodes along the Industrial Corridors in the State will also be developed as industrial townships on PPP mode.

5.2.2. The Industrial Development Policy 2023-27 provides for specific support package for anchor investments in greenfield industrial parks/ estates/ nodes as well as existing industrial parks/ estates/ nodes in which only less than 30% of the land has been allotted.

5.2.3. Sector- focussed private industrial parks will be encouraged to promote major investments in the thrust sectors.

5.3. Anchor Unit Incentive

5.3.1. '**Anchor Unit' as per this policy** has been defined as the first and lead investor in the designated industrial park whose brand value & potential for backward and/or forward linkages shall stimulate further investment in the Industrial Park/Industrial area. The anchor Industry shall bring a minimum investment of Rs.500 Crores or employing more than 1000 persons and promote at least 5 downstream / upstream industries.

5.3.2. Anchor Units will 'be provided required land for the project as per appraisal based on DPR, at 25% of the land price in the case of APIIC land.

5.3.3. The above incentives will be the base-package incentives available to Anchor Units. The window for tailor-made incentives will be open for such units also, as is available to any Mega or Ultra-Mega projects as per this policy.

SECTION - 3

SERVICES SECTOR

6. DEFINITIONS

6.1. Certain sectors of services falling within the definition of MSMEs have been brought under the ambit of the Industrial Development Policy 2023.

7. POLICY INITIATIVES FOR SERVICES' SECTOR

7.1. Policy Orientation

7.1.1. Only select segments of services which are directly related to industrial development are brought under the ambit of this Policy.

7.1.2. As such, the specific segments of services covered by the Policy are the following:

1	Industrial / Material testing laboratories / Technical testing and analysis,Hall Marking Centres
2	Iron Scrap/Plastic/Paper/Hay etc. Baling presses
3	Auto servicing and /or repairing units, engineering machining workshops, Common effluent treatment plants
4	Packaging activity
5	General Engineering and Fabrication works
6	Refilling of Medical oxygen and/ or its container
7	Transportation & Logistic Management Services including Cold Chain Logistic Services
8	Industry Related Environmental Services including Hazardous and other Waste Disposal/Management

9	Industrial Staff/Workers' Accommodation Facilities
10	Any other Service Enterprises notified by the State Level Committee for inclusion in this list from time to time.

7.2. Policy Measures

7.2.1. The Industrial Development Policy 2023 recognises the importance of Services sector as a contributor to the State's GDP. The policy identifies certain segments of services which are key inputs for many industries and have brought them under its ambit. Government may bring more segments of services under the scope of the policy through specific notifications.

START-UP-SUPPORT

8. ENHANCING START-UP ECOSYSTEM

8.1. The young generation of Andhra Pradesh enjoys a rich heritage in pro-business culture and entrepreneurship, which is being carried forward. Government intends to provide talented youngsters with the right facilities and support system to innovate and pursue their entrepreneurial aspirations based on innovations. Specific policy measures are therefore envisaged in the Industrial Development Policy 2023 to enhance the start-up ecosystem in the State.

8.2. Policy Measures

8.2.1. Government recognises the need for 'catching the entrepreneurial talents young' and will facilitate establishment of Entrepreneurship Clubs and Incubation Centres in select technical institutions on an experimental basis, which will be scaled-up.

8.2.2. I- Space: the Multi- Domain Innovation Hub at Visakhapatnam

I-SPACE, a Multi-Domain Innovation Hub, will be established at Visakhapatnam as the springboard for budding entrepreneurs who wish to launch themselves into the world of technology ventures. It will provide the best-in-class environs and support system for the young generation of Andhra Pradesh to pursue their entrepreneurial aspirations.

The **I-SPACE** will be developed around the R&D and Innovation ecosystem in Visakhapatnam, and will specialise in the domains of IT, Electronics, and Life Sciences. It will be uniquely positioned to provide end-to-end start-up ecosystem, and cutting edge infrastructure for innovation, translational- research, product validation and pilot production in these segments. Space will also be envisaged for temporary operation of enterprises successfully commercialising their products/processes/ services, until moving on to permanent campuses.

The **I-SPACE** will have specialised incubators, co-working space, and representation of angel investors & venture capitalists. Arrangements for mentoring and handholding support for the 'technopreneurs' in various domains including IP & Patent Registration, Legal Services, sourcing funds by way of Angel/Venture Capital, and Packaging will be part and parcel of the range of support to be offered by the facility.

In the Life Sciences sector, Biopharma and Agri-biotechnology will be specific areas of specialisation. The **I-SPACE** will also lay thrust on Bioinformatics segment, drawing in on the strengths of the existing IT infrastructure and knowledge base in and around Visakhapatnam. Translational research will be promoted particularly in these three segments of Life Sciences.

The facilities for translational research, incubation, and pilot-production in Biotechnology/Biopharma/Bioinformatics/Agri-bio segments will be provided by a Bio Innovation Centre, to be established within the **I-SPACE.**

To come up in a built-up area of 5 Lakh Square feet in stages, **I-SPACE** will be the flagship project of the Start-up Mission- Andhra Pradesh envisaged as per this policy. The facility will be managed by a Chief Executive Officer, who will be a professional, reporting to the Board of

Directors which would comprise eminent personalities drawn from the domains of Information Technology, Biotechnology and Electronics, besides Senior Government Officials.

8.2.3. Industry- Academia interface and collaborative research will be promoted, facilitating linkages between leading R&D institutions and industry, for innovations on products and processes.

8.2.4. Government will establish a Fund as corpus for providing Seed Capital Assistance, to support innovative ventures particularly those to come up in the **I-SPACE.**

8.2.5. Start-up Mission- Andhra Pradesh (SUM- AP)

A Start-up Mission, to be headquartered in Visakhapatnam, will be established as a Company under the Companies Act 2013 to operate/ coordinate various initiatives to promote Start-ups, including the **I-SPACE.** Support measures needed for promoting start-ups in the State shall be devised and administered by the Start-up Mission- Andhra Pradesh (SUM-AP)

LOGISTICS & WAREHOUSING

9. ENHANCING LOGISTIC INFRASTRUCTURE

9.1. Government recognises the need to facilitate a strong distribution support system through enhanced logistic infrastructure, which is essential for industry to flourish. Therefore, Government accords the status of “Industry” to Logistics and Warehousing Sector. Specific incentive packages have also been designed for Logistics Sector.

9.2. A minimum of 5% of the area will be earmarked for development of logistic facilities in upcoming Industrial Parks/Hubs. All clearances /Approvals will be provided through Single Desk Portal.

9.3. Logistic Management Services have also been identified as an area for support under the Industrial Development Policy 2023, and have been considered under Section-III (Services Sector)

9.4. A logistics park, for being eligible for incentives under this policy, is defined as an area custom-built for the sole purpose of conducting logistics operations. It will provide holistic solution for logistics-related needs with state-of-the-art facilities and infrastructure. Such logistic- related needs may include storage, packing, handling, distribution, and processing.

9.5. A cold chain, for being eligible for incentives under this policy, is defined as a temperature-controlled supply chain with facilities comprising refrigerated storage and distribution facilities supported by equipment that can constantly maintain the required low-temperature range.

9.6. Eligibility Criteria

9.6.1. In order to facilitate private participation for development of logistic infrastructure such as Warehouses, ICDs, Cold Storages, Multi Modal Logistic Parks etc. Government of Andhra Pradesh extends the certain incentives /facilities. The following criteria for minimum investments have been stipulated for Logistic Infrastructure Projects to be eligible for incentive support under the Policy:

Logistic Parks, ICDs etc.	:	Rs. 50 Crores
Warehouses	:	Rs. 5 Crores
Cold Chains	:	Rs. 3 Crores

9.7. Incentive Package available to the Logistic Projects are presented in Annexure- I

SECTION - 6

R&D, GLOBAL CAPABILITY CENTRES AND TESTING LABS

10. ENABLING ROBUST RESEARCH ECOSYSTEM

10.1. The imminent need for firms to continuously expand the frontiers of technology for transforming the industrial ecosystem in the State has widely been recognised. The challenges are more for MSMEs for innovation and constant technological upgradation, and to keep pace with global manufacturing trends. The gap in availability and access to R&D infrastructure and facilities for high-end testing is strongly felt within the State and this has been pointed out by stakeholders including various industry associations.

10.2. In the above background, the Industrial Policy 2023 aims at enabling a robust research ecosystem within the State by supporting establishment of R&D Institutions- both in public and private sectors.

10.3. Policy measures

10.3.1. In order to support Research and Development infrastructure in the state, the Policy attaches priority to the establishment of R&D institutions / Laboratories in sectors of importance to the state. Support will also be extended to Private Institutions/ Companies/MNCs for setting up Research & Product Development Centres/ Global Capability Centres in the State.

10.3.2. Government will also support Contract/Sponsored research work from industrial enterprises to recognized R&D Institutions/ Technical Colleges approved by AICTE.

INDUSTRIAL DEVELOPMENT POLICY 2023-27

PART - 3

POLICY IMPLEMENTATION

POLICY IMPLEMENTATION

1. GENERAL

1.1. This Policy will come into effect from 1st April 2023 will remain in force for a period of 4 years or until it is substituted by another policy.

1.2. This Policy is also applicable for Textile Sector.

1.3. The Implementation of the policy will be periodically reviewed by the Industries Department for necessary facilitation and mid-course correction, wherever necessary.

1.4. The State Government may, at any time, amend the Policy or any provisions therein.

1.5. The Necessary amendments / orders will be issued by the concerned Departments. Detailed operational guidelines will be issued separately.

2. REVIEW & MONITORING COMMITTEE

2.1. A High-Level Committee under the Chairmanship of the Special Chief Secretary Industries & Commerce shall be constituted for periodical review of the progress of implementation of various initiatives/ schemes/ provisions of the policy. This Committee will also ensure timely issue of various Government Orders, Detailed Guidelines etc. for effective implementation of the policy. The Committee will bring out half-yearly reports on the progress of implementation of the policy and will also recommend mid-course corrections, if any, required.

INDUSTRIAL DEVELOPMENT POLICY 2023-27

ANNEXURE - I

FISCAL INCENTIVES - ALL CATEGORIES OTHER THAN SC | ST

MICRO AND SMALL ENTERPRISES - (Manufacturing)

TYPE	INCENTIVE
1. INVESTMENT SUBSIDY	
General	15% limited to Rs.20 Lakhs
BCs/ Minorities	15% limited to Rs.20 Lakhs
Women	15% limited to Rs.30 lakhs
2. INTEREST SUBSIDY	
General	3% of the Interest Rate limited to Rs.25 lakhs for 5 years
BCs/ Minorities	3% of the Interest Rate limited to Rs.30 lakhs for 5 years
3. NET SGST	
Net SGST Reimbursement	100% Reimbursement for 5 years for all categories, subject to 100% of FCI (excluding land cost)
4. OTHER INCENTIVES	
Reimbursement of Stamp Duty	100% of stamp duty for all categories
Reimbursement of Land Conversion Charges	25 % limited to Rs.10 Lakhs
Reimbursement of Power Cost	Reimbursement of electricity duty at Rs. 1 per unit for 5 years.
IP acquisition Cost Reimbursement	75% limited to Rs.10 lakhs
Technology Upgradation & Acquisition Cost Reimbursement	50% limit of Rs.25 Lakhs
Quality Certification	100% of cost limited to Rs. 3 lakh
Piped Water Supply	As per the prevailing rates before the revision

INDUSTRY RELATED SERVICE SECTOR	
Type	**Incentive**
Capital subsidy only for approved industry related service activities	15% up to Rs.20 Lakhs

MEDIUM ENTERPRISES (Manufacturing)

Type	Incentive
Investment Subsidy/SGST	15% of FCI limited to Rs.2.5 Crore in 5 equal annual instalments or 50% net SGST for 5 years
IP acquisition cost Reimbursement	75% limited to Rs.10 lakhs
Technology Upgradation & Acquisition Cost reimbursement	50% limit to Rs.25 Lakhs
Piped Water Supply	As per the prevailing rates before the revision

LARGE INDUSTRIES

Type	Incentive
Reimbursement of Net SGST	Cat I - 100% Net SGST for 5 years upto 100% FCI (excluding land) Cat II – 100 % Net SGST for 5 years upto 75% FCI (excluding land) Cat III - 100% Net SGST for 5 years upto 50% FCI (excluding land)
Piped Water Supply	As per the prevailing rates before the revision

MEGA AND ULTRA MEGA INDUSTRIES

TAILOR – MADE INCENTIVES

SPECIAL PACKAGE FOR EARLY BIRD PROJECTS

The Government of Andhra Pradesh is set to showcase its strengths, business-friendly policies, best-in-class infrastructure facilities and investment opportunities to global investors at Global Investors Summit 2023 – "Advantage Andhra" at Visakhapatnam scheduled on 3-4 March 2023, **to collaborate with the best companies in the world and attract investments and develop the state as the top destination for investments**.

Taking a note of all such developments and the proposed **Global Investors Summit 2023**, the following **special package of incentives** has been proposed in order to encourage the best companies in the world to choose the state for signing the MoUs during the Summit and to go for early Ground Breaking to establish their bases in the State. This will not only help in attracting realistic investments into the State but also in boosting local employment prospects, utilising newly constructed infrastructural space, and generating income for the State.

These incentives will be provided to those **industries, who would go for ground breaking within 6 months from the date of the Summit.**

Type	Incentive
Medium Enterprises	They will be provided the following additional incentives, in addition to the incentives available for Medium Enterprises Category under this Policy 1. 100% reimbursement of stamp duty 2. 100% reimbursement of land conversion charges 3. Reimbursement of 50% of the total infrastructure cost limited to Rs 1.00 Crore
Large /Mega/ Ultra Mega Industries	They will be provided the following additional incentives, in addition to the incentives available for Large Industries Category under this Policy 1. 100% reimbursement of stamp duty 2. 100% reimbursement of land conversion charges 3. Reimbursement of 50% of the total infrastructure cost limited to Rs 1.00 Crore

OTHERS:

i) PRIVATE MSME PARKS /FLATTED FACTORY COMPLEXES		
COMPONENT	ELIGIBILITY	INCENTIVES
Infrastructure Cost	1.Minimum 25 acres of land 2.Minimum 50,000 Sq.ft. for FFC	25% up to Rs.1.0 Crore
Stamp duty and land conversion		100%
Interest Subsidy		3% interest subsidy limited to Rs.1.00 Crore over 3 years

ii) R&D, GLOBAL CAPABILITY CENTRES AND TESTING LABS	
COMPONENT	INCENTIVES
R & D Labs (only greenfield)	50% of the investment for the R&D center, limited to Rs 3.00 Crore

COMPONENT	LOGISTIC POLICY 2022-27
Warehouses, ICD, Cold Storages, FTZ, MMLPs	1) The state accords the status of "Industry" to the Logistics and Warehousing Sector. 2) 100% Stamp duty reimbursement on land registration. 3) Re-imbursement of 75% of the amount spent on patent registration limited to Rs. 5 lakh for domestic and Rs. 10 lakh for international patent. 4) All other incentives as per IDP 2020-23.

INDUSTRIAL DEVELOPMENT POLICY 2023-27

ANNEXURE - II

SPECIAL PACKAGE FOR SC & ST ENTREPRENEURS (YSR JAGANANNA BADUGU VIKASAM)

YSR JAGANANNA BADUGU VIKASAM UNDER IDP 2023-27

SPECIAL PACKAGE FOR SC/ST ENTREPRENEURS

i) MICRO AND SMALL ENTERPRISES(Manufacturing & Services)

Type	Incentive
Investment Subsidy	45% limited to Rs.1.20 Crore
Interest Subsidy	9% of the Interest rate limited to Rs.50 lakhs for 5 years
Net SGST Reimbursement	100% Reimbursement for 5 years for all categories, subject to 100% of FCI(excluding land cost)
Reimbursement of Stamp Duty	100% of stamp duty for all categories
Land Cost Subsidy	50% cost. Limited to Rs.20 lakhs for SC/ST
Reimbursement of Land Conversion Charges	25 % limited to Rs.10 Lakhs
Reimbursement of Fixed Power Cost	Reimbursement of electricity duty at Rs. 1/-per unit and power cost reimbursement @Rs.0.50 per unit for 5 years
IP acquisition Cost Reimbursement	75% limited to Rs.10 lakhs
Technology Upgradation & Acquisition Cost Reimbursement	50% limit of Rs.25 Lakhs
Quality Certification	100% of cost limited to Rs. 3 lakh
Piped Water supply	As per the prevailing rates before the revision

TRANSPORT SECTOR

Type	Incentive
Capital subsidy for Transport	45% up to Rs.75 Lakhs

MEDIUM ENTERPRISES (MANUFACTURING):

Type	Incentive
Investment Subsidy/SGST	15% of FCI limited to Rs.2.5 Crore in 5 equal annual instalments or 50% net SGST for 5 years
IP acquisition cost Reimbursement	75% limited to Rs.10 lakhs
Technology Upgradation & Acquisition Cost reimbursement	50% limit to Rs.25 Lakhs
Piped Water supply	As per the prevailing rates before the revision

iii) LARGE ENTERPRISES:

Type	Incentive
Reimbursement of Net SGST	Cat I - 100% Net SGST for 5 years upto 100% FCI (excluding land) Cat II – 100 % Net SGST for 5 years upto 75% FCI (excluding land) Cat III - 100% Net SGST for 5 years upto 50% FCI (excluding land)
Piped Water supply	As per the prevailing rates before the revision

iv) MEGA AND ULTRA MEGA INDUSTRIES

Tailor-made incentives, as required

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